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NEWS LETTER

From

The Director General of
The Foreign Service

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DEPARTMENTAL

Secretary Marshall, before leaving for Moscow, delegated Departmental operation to Under Secretary Acheson, who has charged Acting Assistant Secretary Peurifoy with Administration. Mr. Peurifoy is enforcing the principles of "completed staff work" and "prompt execution of decision", and a noticeable speed-up has already taken place in administration within the Department. The effects of this speed-up should soon become apparent in the field.

DIVISION OF FOREIGN SERVICE ADMINISTRATION (FA)

Discussion of Allowances:

The new allowances provided in the 1946 Foreign Service Act are to be called "temporary lodging allowances", "transfer allowances", and separation allowances"; and the new allotment is the "official residence allotment".

To date funds are lacking for payment of these benefits, but a draft of pertinent regulations has been prepared. Under Section 901 of the Foreign Service Act of 1946 the President is required to prescribe the allowance regulations. The Bureau of the Budget has indicated its desire to act on the President's behalf in this regard; but opinion in the Department favors delegation of the President's authority, at least in part, to the Secretary of State. The Budget Bureau wants also to prescribe regulations to govern accounting procedures for both the allowances and the "official residence allotments". Regardless of the decision made on this matter, the Departmental draft of new regulations will be useful in simplifying administration of the old allowances and in giving effect to the new ones.

The Budget Bureau's interest in prescribing allowance regulations stems from a desire to prevent overlapping forms of compensation, inequity between employees of different government agencies serving abroad, and inequity between those serving abroad and those serving in Washington. It has become apparent that the Bureau's interest also includes a desire to determine where and in what maximum amounts allowances shall be granted. There has even been some skepticism expressed in the Budget Bureau as to the reasonability of paying allowances that cover a government employee's entire expenditure for living quarters, heat, fuel, light, gas, and electricity.

The Department's current review of living quarters allowances indicates that there are from 65 to 75 posts in Class V where the allowances are inadequate. Two measures prevent action by the Department to alleviate this situation. The current appropriation places a ceiling on the amounts payable, and the Budget Bureau's regulations set maxima that may not be exceeded. The legislative ceiling does not apply to chiefs of mission and ranking officers at six posts, but the Department's recommendation to the Bureau in December 1946 to raise allowances for all personnel at five of these posts by certain percentages, effective July 1, 1946, was not approved until March 1947 and will not be effective until April 1, 1947. In the 1948 appropriation bill the language hitherto prescribing a ceiling has been omitted and may therefore permit raising these allowances at the other posts if Congress favors the omission, and if the Bureau approves the Department's recommendations or if the President's

authority to prescribe regulations is delegated to the Secretary of State. Meanwhile a number of posts in classes below Class V are being raised to provide more adequate living quarters allowances to meet increased housing costs nearly all over the world.

A world-wide review of travel per diem allowances has been completed in the Department preparatory to making pertinent recommendations to the Budget Bureau where authority to fix these allowances has reposed for several years. Per diems payable abroad are linked by the Bureau to the six-dollar amount payable in the United States in such a way that the average amount payable abroad will be about as liberal, or as restrictive, as that payable here. The six-dollar per diem here is admittedly inadequate, and bills have been introduced into both the House and the Senate to provide for a ten-dollar maximum payment in the United States. If these bills are passed, foreign per diems will be much more liberal. Foreign per diems may end up, however, tied to the eight-dollar per diem in this country which the Budget Bureau is believed to favor. This result will lead to slightly higher per diems abroad.

The purpose of post (cost of living) allowances, as approved by past appropriations sub-committees of Congress and by the Bureau of the Budget, is to compensate government employees serving abroad for living costs (excluding rent and utilities, which are deemed to be adequately covered by the living quarters allowance) in excess of those which are incurred in Washington. With the elimination of price controls in Washington, where retail prices compare with the average in thirty large cities in this country, living costs here have risen very appreciably. This rise, coupled in some cases with a decline in living costs abroad or with a new and more favorable dollar exchange rate, theoretically necessitates a reduction in post allowances at approximately 87 Foreign Service posts. Although the Department must reduce many allowances, at least partially, in order to preserve the integrity of the entire post allowance program, careful consideration is being given to ways and means of adapting and improving the present measurement formulae to meet new conditions. Regardless of such improvements, the amount of this allowance will never satisfy all of the many complainants in the Foreign Service who expect it to make up for defections in their salary levels, rent and representation allowances, salary differentials, and other benefits. The post allowance must be carefully defended, however, on its own merits and for the purposes that have been assigned to it in relation to other forms of compensation.

The temporary emergency allowances in occupied and liberated areas will have to be abolished. Interested personnel in the Department and the Bureau of the Budget are agreed on this. Because of unstable currencies, unstable retail prices or insurmountable housing problems, however, some areas cannot be classified for the regular allowances with equity or accuracy until better retail price data and post reports are received and a better perspective is obtainable with regard to the costs of temporary lodging, quarters,

living expenses, etc. These problems are all being investigated.

The inter-relationship of post reports, retail price schedules and other required economic and financial reports, is being studied with a view to (a) reducing the workload in the field and (b) obtaining a better picture in the Department of retail price levels and living-patterns.

Allotments of representation allowances to many posts are being increased this month but, due either to the inadequacy of funds or to certain exaggerations in field requirements, by only 25-30 percent of the amounts requested. In May, all posts will be required to report any savings in their allotments. These savings will be redistributed to posts that demonstrate a need for further increases. Since amounts that are not expended by June 30 must be returned to the Treasury and cannot be used at posts where they are needed, the importance of reporting unneeded funds that may in turn be redistributed cannot be overemphasized.

DIVISION OF FOREIGN SERVICE PERSONNEL (FP)

Recent Class-to-Class Promotions Approved for Staff Corps Employees:

In February 1946, 266 promotions were approved for various Staff officers and employees, under authority of Section 641 of the Foreign Service Act of 1946. These promotions are known as "Class Promotions", whereby the position occupied by the employee is changed to a higher class (e.g., Class 12 to Class 11), based primarily on the level of the duties performed and responsibilities assumed by the incumbent in each case.

We realize that these promotions comprise only a small portion of a large number of justified class adjustments that will eventually be made; however, due to fund limitations, as well as lack of complete job information in many cases, only a relatively few promotions could be processed at this time.

At such time as the classification program is installed, whereupon each position will be allocated to a class on the basis of the duties and responsibilities attached to that position, it is fully expected that a sizeable number of adjustments by class promotion will be effected.

New Record System Installed:

FP has completed the installation of new card record system in which are coded the qualifications of every American employee of the Foreign Service, together with other information pertinent to personnel administration. The Keysort system was selected for this record, which now makes it possible to sort mechanically on short notice the record of all employees by experience, linguistic ability, efficiency ratings, class, salary, health factors and many other important items. This record will serve as a basis for transfers, promotions, placement, etc. Its use will insure each employee that his record will be reviewed periodically, and that he will receive due consideration for any assignment for which he is qualified.

In-Class Promotions for Staff Officers and Employees:

Regulations have now been approved implementing Section 642 of the Foreign Service Act of 1946 with respect to automatic in-class promotions for all Foreign Service Staff personnel. The regulations provide that each Staff officer or employee whose efficiency and conduct meet the established standards of the Foreign Service will receive an automatic in-class increase at the completion of each twelve months of service, providing, of course, such increase would not exceed the maximum established for the class to which the employee is assigned.

Forms 349 covering the automatic increases for all eligible employees who have not had an increase within the past twelve months have now been processed and are en route to field posts.

DIVISION OF FOREIGN REPORTING SERVICE (FR)

The screening of economic work requests upon the field has had gratifying results. Instructions calling for over 2600 reports were cancelled from January 1 to March 1947. Proposed instructions which would have required more than 700 reports were suppressed in the same period and many others were modified and clarified. These results have been made possible by the willing cooperation of all agencies of the Government interested in reporting performance. The process of coordination and review of new instructions also has made necessary the closest cooperation between the divisions and agencies having an interest in the material treated. An outcome of the ensuing discussions has been a better common knowledge of the foreign offices' difficulty in satisfying the heavy demand and there are increasing signs that originating agencies are more carefully scrutinizing their requests before transmission.

Summary analyses respecting reporting effectiveness have been transmitted to a number of missions. The favorable reception accorded these periodic appraisals has clearly demonstrated their value and usefulness to the individual reporting officer as well as to the officer in charge. Summaries of a number of other posts are in process and additional factors, including staff capacity, extent of coverage, voluntary and current reporting will receive fuller treatment.

The need for the careful preparation and review of classified WFD data and attachments was highlighted recently as a result of a violation of the oath of confidence by a firm which had received information of a confidential character. Fortunately, most posts are careful not to include information in WFD reports and attachments of a nature which would embarrass the reporting officers and their respective missions.

Comments received on the preliminary edition of the Economic Manual have been encouraging. As an indication of the interest aroused, requests for copies of this publication have been received from many foreign governments and educational institutions in this country. As field officers become more familiar with its contents by use, it is hoped that additional criticisms and suggestions for its improvement will be submitted to the Department.

FOREIGN BUILDINGS OFFICE (FBO)

Foreign Buildings Program:

The Foreign Buildings Program is proceeding rapidly and a considerable number of very desirable properties have already been acquired by the Department in a number of countries throughout the world including, among others, Australia, China, the Philippines, Finland, France, Italy, Belgium, the Netherlands, various posts in Africa, and a number in Central and South America. Particular attention has been given to the matter of acquisitions in posts that have previously been listed as unhealthy, and in other areas in which living conditions, for one reason or another, are not at the present time very good.

The Department has not been able to do very much in the way of construction as yet inasmuch as conditions in the building trades in most countries are very bad, and building materials of the class used by our Government in its construction are very scarce. Some progress has been made, however, and a considerable improvement has been effected in connection with the forwarding of comfortable American furniture to many posts, under a method worked out with the Appropriations Committee last year.

All officers are especially requested to advise the Buildings Office of any properties they come across which may hold promise to obtain. Representatives of FBO will be dispatched to inspect such properties if the prospectus makes them appear desirable as acquisitions.

FOREIGN SERVICE INSTITUTE (FSI)

The metamorphosis of the Division of Training Services into the Foreign Service Institute occurred on March 7 with the signing of the necessary orders by the Acting Secretary. Several days later, public announcement was made through a Departmental press release and the holding of a press conference. The newspaper boys showed most interest in the program of language instruction, which currently spreads over thirty odd languages and is running at full steam. To the disappointment of FSI, however, none of the press accounts mentioned the fact (which was discreetly disclosed to them) that the law authorizes the Institute to accept private gifts, bequests, etc. In these perilous budget days, a nice fat endowment for a few more instructors, or for the Institute library with its rows of empty stacks, would be mighty welcome.

Some six weeks ago, the old FSS (Division of Training Services) had moved from its handsome but crowded quarters at Lothrop House, up at Connecticut Avenue and Columbia Road, to the less pretentious but more spacious Mayfair Apartment Building at 2115 "C" Street, an eight-story structure just a block from the building into which OFS is scheduled to move next month. This will be the Institute Building and everyone agrees that its physical location is much more convenient than Lothrop House for the boys in training as well as for the staff.

The Institute is numerically the smallest of the units in OFS, with a total personnel of 32. It inherits the staff of FSS, but changes the nomenclature. William P. Maddox is Director, and four assistant directors will head up the following "schools":

Lawrence W. Taylor, School for Basic Officer Training;
Frank S. Hopkins, School for Advanced Officer Training;
John B. Whitelaw, School for Management and Administrative Training; and
Henry Lee Smith, Jr., School for Language Training.

At the present time, principal activities of the Institute are (a) the training of a group of security officers for assignment to the field; (b) preparation of new information and cultural officers and other specialists for field duty; (c) continuation of training for Foreign Service clerks, who have been coming since December in weekly groups of 10 or 15 for a month's course; (d) training of Departmental employees in administrative procedures; and (3) language instruction.

Programs for the rest of the year look quite heavy, and also interesting. More about them in the Letters to come!

DIVISION OF FOREIGN SERVICE PLANNING (FSP)

Classification Project Developments:

We are glad to report that definite progress is being made toward developing a plan for classifying Foreign Service positions. Such a plan would group together positions which are similar as to kind and character of work performed and which require the same type of qualifications. An orderly arrangement of positions along these lines will insure improved deployment of personnel, sounder organization of field establishments, improved operating efficiency, and a more equitable and efficient method of determining compensation; in fact, many of the important improvements in our personnel and administrative operations are dependent on our doing this job well.

Mr. Clement Sobotka, the chief of the classification staff, is presently observing the operations of a number of our Western European missions. Three members of the staff are making a more intensive pilot study of the embassy and several consulates in Mexico. Two additional surveys are scheduled for the near future. These contacts with you in the field will enable us at home to develop a sound approach for setting up a system which meets the needs of the Foreign Service. A thorough job alone will suffice. We are convinced that it is possible to develop a classification system which will make sense and which also will prove most helpful in administering our personnel and management programs. We will keep you informed of new developments on this important project as they occur.